



**CITY OF LODI
COUNCIL COMMUNICATION**

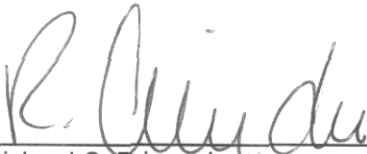
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AGENDA TITLE: Update on White Slough Water Pollution Control Facility Improvements
MEETING DATE: January 7, 2003
PREPARED BY: Public Works Director

RECOMMENDED ACTION: None needed, unless Council wishes to provide additional direction.

BACKGROUND INFORMATION: Following City Council approval on December 17 regarding equipment purchases, staff has continued to work on this and other aspects of the White Slough project. Staff wishes to update the Council on the purchases and discuss future actions on the project, including project financing and related issues.

FUNDING: N/A


for Richard C. Prima, Jr.
Public Works Director

RCP/pmf

cc: Del Kerlin, Wastewater Superintendent
West Yost & Associates

APPROVED:


H. Dixon Flynn, City Manager

White Slough Water Pollution Control Facility Improvements Update January 7, 2004

- Phase 1 construction underway (\$1.4 million) – one City initiated change order to get a head start on some Phase 2 work (excavated and hauled fill from DeBenedetti SD basin for filter pad, \$192,000). Other minor change orders anticipated.
- Still waiting for PG&E on power line upgrade analysis; affects standby power options.
- December 17, 2003 Council approved purchases by City Manager of:
 - Tertiary Filters (approx. \$1.5 million) – Council approved a sole source purchase, however the City is still evaluating a second filter and has a meeting scheduled for early next week to determine this equipment purchase
 - UV Disinfection Equipment (approx. \$3.6 million) – We received two bids for this equipment and are pleased that the low bid, both in terms of capital cost and life-cycle analysis came in substantially below the estimate. We will be purchasing equipment from Trojan Technologies Inc. at a cost of \$1,939,500 including taxes. The second bid came in at \$2,297,638 from Wedeco Ultraviolet Technologies. Both bids contained some qualifications/exclusions but were deemed responsive and acceptable.
 - Aeration Panels (approx. \$300,000) – This was also approved as a sole source purchase and the order will be placed in January.
- Phase 2 installation contract – The plans for this work are being completed and will be bid in time for award in early April.
- Financing – Staff is working with our Financial Advisor, Alex Burnett of PFM on a \$25 million financing. The will cover the above equipment purchases, the Phase 2 installation contract and portions of the Phase 3 work. The financing team includes Bond Counsel, Mr. Gene Carron of Orrick, Herrington & Sutcliffe LLP and Underwriter, George Wolfe of First Albany Corp. We anticipate completing the financing in March.
- Rate adjustments – We anticipate returning to the Council in February/March to implement rate adjustments in July, 2004